Gray, Neil

From:	Sizemore, Luke A.
Sent:	Thursday, November 29, 2018 8:50 AM
To:	'dwollmuth@wmd-law.com'; 'Moscato, Michael J.'
Cc:	Schaffer, Eric A.; Gwynne, Kurt F.; 'bkuehn@wmd-law.com'; 'Hertzberg, Gabriel'
Subject:	COFINA Plan

David and Michael,

With the disclosure statement hearing behind us, we are turning to plan confirmation issues, including the Court's determination of the mechanism for payment of BNYM's fees and expenses incurred in connection with defense of the allegations raised by Ambac and Whitebox.

Section 19.5 of the second amended plan of adjustment provides that, "at the Confirmation Hearing, the Title III Court shall determine (a) what amount, if any, shall be either (i) withheld by the Disbursing Agent or BNYM as trustee for the Existing Securities or (ii) posted by Ambac and Whitebox as collateral for the reimbursement of fees and expenses which may be incurred by BNYM in connection with the defense of the Ambac Action and the Whitebox Action, and (b) whether BNYM shall be reimbursed by Ambac and Whitebox for the incurrence of any such fees and expenses from either the holdback amount or collateral posted and referred to in the preceding subsection (a) on a current basis or upon entry of a Final Order in connection with the Ambac Action and the Whitebox Action."

Should the Court consider having Ambac and Whitebox post collateral, there are issues that will need to be addressed. To understand what exactly we will be fighting about at confirmation, we are requesting your position on the issues that will be posed to the Court under section 19.5 of the Plan. What form and amount of collateral are your clients proposing for BNYM, and are they proposing current pay or pay upon entry of a final order? Similarly, we are requesting a statement of your claimed damages.

Regards,
Luke

Luke A. Sizemore
412.288.3514
lsizemore@reedsmith.com

Reed Smith LLP
Reed Smith Centre
225 Fifth Avenue
Pittsburgh, PA 15222-2716
412.288.3131
Fax 412.288.3063
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